

CLALLAM COUNTY, WASHINGTON
January 1, 1994 Through December 31, 1994

Schedule Of Findings

1. Clallam County District Court Officials Should Maintain Accurate Control Accounts Over Accounts Receivable And Cash Collections

Clallam County District Court officials do not maintain accurate control accounts summarizing the accounts receivable due. The accounts receivable detail reports produced by the district court's computerized accounting information system (DISCIS) does not balance to the court's summary ledger. The DISCIS accounting system is prescribed by the Washington State Office of Administrator for the Courts (OAC).

There is not an adequate segregation of duties or compensating controls between the collection of cash and adjustments to the accounts receivable. The administrator, assistant administrator, and court cashiers have access to cash and are able to make adjustments to the accounts receivable. Also, there is not adequate documentation that adjustments made to the accounts receivable are authorized, approved or reviewed on a timely basis.

Lack of adequate summary ledger control and uncontrolled access to adjustments to accounts receivables balances lend themselves to potential abuse and non-detection of errors, omissions, and fraud. Consequently, we consider the absence of accurate control accounts coupled with inadequate segregation of duties a significant weakness in the accounts receivable.

We recommend district court officials:

- a. Implement and follow controls to ensure that all adjustments made to the accounts receivable are properly approved, posted, and reviewed in a timely manner.
- b. Reconcile the cash collections, revenues, and subsidiary records to the summary ledger accounts receivable control account.
- c. Implement controls to ensure a segregation of duties between cash collections, postings, and adjustments to the accounts receivable.